

Connecticut State Board of Accountancy
January 4, 2007
Minutes

Chairman Reynolds called the meeting to order at 8:30 A.M. in the third floor conference room, 30 Trinity Street, Hartford.

Present:

Thomas F. Reynolds, CPA, Chairman
Richard P. Bond
James Ciarcia
Richard Gesseck, CPA
Leonard M. Romaniello, Jr., CPA
Richard Sturdevant
Michael Weinshel, CPA

Staff Members Present:

David L. Guay, Executive Director
Rebecca E. Adams, Esquire, Board Counsel

Absent:

Philip J. DeCaprio Jr., CPA

Chairman Reynolds welcomed everyone and wishing everyone a happy new year noted that the agenda had been switched from its normal order to accommodate those in attendance who wish to speak to the agenda item on CSCPA proposed legislation. Also noting the Board spent a lot of time on this subject less than a year ago, but still anxious to hear from interested parties.

Chairman Reynolds asked if the Board had been officially notified of proposed legislation. Arthur Renner, Executive director of the CSCPA indicated that as of the November 16, 2006 CSCPA Board of Governors meeting the Society was moving forward with legislation to change the education requirement with one proviso; to change course if the UCONN survey results indicated a change of course was necessary.

Chairman Reynolds opened the meeting to the public to address the Board, further noting the Board had received correspondence from Professor Rosman, Professor Massey, and Professor Bannister.

On behalf of the Connecticut Society of Certified Public Accountants, Ralph DePanfilis spoke first in support of the proposed legislation to change the education requirement to become a CPA from 150 semester hours prior to sitting

for the CPA Exam to 120 semester hours with a bachelor's degree to sit for the CPA Exam and 150 hours for CPA Certification. Mr. DePanfilis indicated the proposal is good for the students, good for the CPA Profession and good for the general public and very pro business for the state of Connecticut.

University of Connecticut Andrew Rosman spoke next with a PowerPoint presentation. Professor Rosman noted the issue before the Board is declining candidacy or at least that is his understanding of why the CSCPA is proposing legislation. Two stated objectives to his presentation; present evidence that candidacy is not declining and the cost or effect that changing the requirement will have.

Fairfield University Professor Dawn Massey and University of Hartford Professor James Bannister each briefly spoke in opposition to the CSCPA proposal to change the education requirement.

A motion by Richard Sturdevant and seconded by Richard Gesseck to table the issue of supporting or opposing possible proposed legislation by the CSCPA was raised.

In Favor of the motion to table:

Richard Bond
Richard Gesseck
Richard Sturdevant

Opposed to the motion to table:

James Ciarcia
Leonard Romaniello
Michael Weinshel
Thomas Reynolds

The motion to table failed.

A Copy of 2006 Senate Bill No, 65, An Act Concerning the Educational Requirements for Applying to Take the Certified Public Accountant Examination was provided to the Board by staff.

Michael Weinshel made a motion, seconded by Leonard Romaniello to support 2007 legislation that was in 2006 Senate Bill No. 65. Michael Weinshel then spoke in favor of the motion. Richard Gesseck then spoke against the motion. Richard Sturdevant and Leonard Romaniello also spoke in favor of the motion, with Richard Bond speaking against the motion.

In Favor of the motion to support in 2007 the legislation that was in 2006 Senate Bill No. 65:

James Ciarcia
Leonard Romaniello
Richard Sturdevant
Michael Weinshel
Thomas Reynolds

Opposing the motion to support in 2007 the legislation that was in 2006 Senate Bill No. 65:

Richard Bond
Richard Gesseck

Motion to support in 2007 the legislation that was in 2006 Senate Bill No. 65 passed.

By consensus the Board took a recess at 9:55 A.M. and was called back to order by Chairman Reynolds at 10:10 A.M.

Executive Director Guay indicated that a final draft of the Public Accountant conversion to Certified Public Accountant Regulations was not ready for the Board meeting. The Board by consensus tabled the approval of the draft regulation until the February 2007 meeting.

Motion made by Richard Sturdevant and seconded by Richard Bond to accept and approve the Minutes of the December 5, 2006 State Board of Accountancy meeting with one correction.

Voting in favor:

Thomas Reynolds
Richard Bond
James Ciarcia
Richard Gesseck
Leonard Romaniello
Richard Sturdevant
Michael Weinshel

No abstentions and no votes against.

In a review of Board operations Executive Director Guay briefed the Board on the operations of the Board by providing a written summary. Executive Director Guay noted that his focus continues to be renewals.

January 4, 2006 Executive Director's Operations Update and Review

Licensing Database

- Jamie Gamble has made significant progress

2007 Renewal & 2006 CPE Reporting

- Totally overwhelms all resources
- Staff absences of up to 50% through out December
- Progress with significant processing still to do
- The other functions and programs haven't ceased, but slowed tremendously

New Position

- Position approved thanks to Chairman Reynolds efforts
- Position announced with a closing deadline of Dec. 26, 2006
- Three possible candidates, two interviews, candidate selected
- Completing paper work, preparing offer for a start date of January 19, 2007

Business continuity & pandemic planning

- Continue to create the Gubernatorial directed plan and attend the mandatory meetings

Motion made by Richard Sturdevant and seconded by James Ciarcia to approve the January 4, 2007 list of individual applications for CPA Certificate, Registrations and CPA Licenses.

Voting in favor:

Thomas Reynolds
Richard Bond
James Ciarcia
Richard Gesseck
Leonard Romaniello
Richard Sturdevant
Michael Weinschel

No abstentions and no votes against.

Motion made by Michael Weinschel and seconded by Richard Bond to approve the January 4, 2007 list of Firm Permit to Practice applications.

Voting in favor:

Thomas Reynolds
Richard Bond
James Ciarcia
Richard Gesseck
Leonard Romaniello
Richard Sturdevant
Michael Weinschel

No abstentions and no votes against.

Chairman Reynolds noted that the agenda continues to lists inspection reports received from the Public Companies Accounting Oversight Board (PCAOB) and are available for Board member inspection and review.

Chairman Reynolds noted that the agenda continues to list Test center Problem Reports. Board members reviewed the report covering the period of November 27, 2006 through December 22, 2006.

January 4, 2007

ENFORCEMENT DOCKET

2004129-2659 Albert Weinstein

Late filing of 2004 CPE. Settlement was signed and penalty paid in 2005 but the settlement was never placed before the board for approval.

Attorney Adams Requested settlement approval for \$200 and compliance with settlement deadline (received in 2005).

Motion made by James Ciarcia, seconded by Richard Gesseck to approve the settlement in the matter of 2004129-2659 Albert Weinstein.

Voting in favor:

Thomas Reynolds
Richard Bond
James Ciarcia
Richard Gesseck
Leonard Romaniello
Richard Sturdevant
Michael Weinschel

No abstentions and no votes against.

LATE FILING OF 2006 CPE

James Flynn – License Number 2436
Clayton Freidberg – License Number 1611
Maryjo Reiner Gallo – License Number 3239
Jerry Glassman - License Number 16170
Michael Howard - License Number 11004
Eric Kreuter – License Number 9831
Patricia Moran - License Number 7136
Robert Nuzum – License Number 3755
Daniel Trolio – License Number 9843

Attorney Adams requested settlement approval for payment of “late fee” and reporting of 40 hours of CPE earned by settlement deadlines.

Motion made by Michael Weinshel, seconded by Leonard Romaniello to approve the settlements in the matters of:

James Flynn – License Number 2436
Clayton Freidberg – License Number 1611
Maryjo Reiner Gallo – License Number 3239
Jerry Glassman - License Number 16170
Michael Howard - License Number 11004
Eric Kreuter – License Number 9831
Patricia Moran - License Number 7136
Robert Nuzum – License Number 3755
Daniel Trolio – License Number 9843

Voting in favor:

Thomas Reynolds
Richard Bond
James Ciarcia
Richard Gesseck
Leonard Romaniello
Richard Sturdevant
Michael Weinshel

No abstentions and no votes against.

LATE FILING OF FIRM PERMIT APPLICATION

Thomas Pignetti (PA) License Number 649

Attorney Adams requested settlement approval.

Motion made by Richard Sturdevant, seconded by Michael Weinshel to approve the settlement in the matter of Thomas Pignetti, PA License Number 649.

Voting in favor:

Thomas Reynolds
Richard Bond
James Ciarcia
Richard Gesseck
Leonard Romaniello
Richard Sturdevant
Michael Weinshel

No abstentions and no votes against.

LATE FILING OF 2006 CPE AND LATE FILING OF APPLICATION FOR FIRM PERMIT

Douglas Cornwell – License Number 5215/ Firm Permit Number 2516

Attorney Adams Requested settlement approval for payment of \$200, firm permit application and reporting of 40 hours of CPE earned by settlement deadline (already received).

Motion made by Leonard Romaniello, seconded by Richard Gesseck to approve the settlement in the matter of Douglas Cornwell – License Number 5215/ Firm Permit Number 2516.

Voting in favor:

Thomas Reynolds
Richard Bond
James Ciarcia
Richard Gesseck
Leonard Romaniello
Richard Sturdevant
Michael Weinschel

No abstentions and no votes against.

Leonard Romaniello initiated a discussion on the total enforcement docket, asking Attorney Adams to provide a complete docket for review. Richard Gesseck further suggested revision to the standard penalty fees imposed in negotiated settlements.

Chairman Reynolds sought the Board's advice on a letter he received from Lori Donovan complaining about the result of the complaint she brought against Joseph Campise. A copy of the letter was also received by the Governor's office and forwarded to Chairman Reynolds for response. Chairman Reynolds volunteered to draft a response.

Chairman Reynolds raised the issue of Board member appointments, noting that he had been advised to send a letter to the Governor asking to be kept on the Board as she begins a new term. Attorney Adams indicated that it would not be a requirement to send a letter, but it would also not be inappropriate.

Motion made by Leonard Romaniello to add to the agenda the request by CPA Exam candidate Kristen Gugliotti for extension of her conditional passing grades, seconded by Michael Weinschel.

Voting in favor:

Thomas Reynolds
Richard Bond
James Ciarcia
Richard Gesseck
Leonard Romaniello
Richard Sturdevant
Michael Weinschel

No abstentions and no votes against.

Motion made by Michael Weinschel to deny the request by CPA Exam candidate Kristen Gugliotti for extension of her conditional passing grades, seconded by Leonard Romaniello.

Voting in favor:

Thomas Reynolds
Richard Bond
James Ciarcia
Richard Gesseck
Leonard Romaniello
Richard Sturdevant
Michael Weinschel

No abstentions and no votes against.

Leonard Romaniello raised an issue recently in the National Association of State Boards of Accountancy (NASBA) publication, NASBA Reports, concerning the name of a CPA firm containing non-CPA names. Executive Director Guay agreed that the Board should place on a future agenda a discussion about the so called alternative practice structures.

Under public comment Alan Clavette, President of the Connecticut Society of CPA's thanked the Board for supporting the legislative initiative to change the education requirement. Arthur Renner, Executive Director of the Connecticut Society of CPA's commented about the next issue on the horizon, which is CPA mobility and substantial equivalency. Chairman Reynolds noted that the Board has discussed the issue and has agreed to keep the issue on its agenda.

A motion to adjourn the meeting was moved by James Ciarcia and seconded by Richard Bond, all voted in favor. The meeting was adjourned at 11:25 A.M.